

**Submission  
No 12**

**INQUIRY INTO GRANTING OF CONTRACT NUMBER  
OoS17/18-021 BY THE OFFICE OF SPORT**

**Organisation:** Capricorn (Australia) Pty Ltd

**Date Received:** 26 August 2021

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Written responses to this submission published by resolution of the committee 10 November 2021 are hyperlinked below:

- [Mr Peter Dingwall](#)
- [Mr Barrie Smith](#)

## Inquiry into the granting of Contract Number OoS17/18-021 by the Office of Sport

### Introduction

My name is Mr Laurens (Lou) Verwey and I am the Director of Capricorn (Australia) Pty Ltd. My Company has been supplying the Australian equestrian industry with quality equine products since 2000.

Kim Verwey (my daughter) is also a Director of Capricorn (Australia) Pty Ltd and we have been working together since the conception of the Company.

I respectfully request that the following submission to the Public Works Committee into the granting of contract number OoS17/18-021 by the Office of Sport be accepted and considered.

I bring to the Committee's attention several incidents that I raised at the time and how they were handled. As Mr Latham said in the Parliament on 23 June 2021, "The amount of public money attached to the issue is not vast, but the principles are deeply concerning and deeply important."

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My concerns relate to clause b) and c) of the Inquiry's Terms of Reference.

- b) the role played by the board, CEO and members of Equestrian NSW (ENSW), Equestrian Australia and officials within the Office of Sport, in both the application for funding and the process for selection of the grant by the Office of Sport,
- c) the potential or otherwise for the existence of corrupt conduct and/or conflicts of interest within the Office of Sport, BSM Sports P/L and ENSW, in the granting of the contract, with reference to the ICAC letter of 1 December 2020 to the Office of Sport,

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### 28 September 2017

At a meeting at SIEC Bruce Farrar claimed that the upgrade of arenas 5 and 6 should be ready for the Sydney CDI 3 – 5 May 2018. I attended this meeting as per my invitation from Jim Kasif.

### 1 October 2017

Kim and I witnessed Bruce Farrar taking arena surface material from a client's arena (at Willinga Park – Bawley Point NSW) during a competition. I was suspicious of his motivation and intent because it was at the time rumoured that the newly installed outdoor arena at Wallaby Hill has a major issue.

Bruce Farrar walked through the carpark at the event with the plastic shopping bag of sand and surface to a car where he met with Barry Smith. Bruce proceeded to show Barry Smith the enclosed sample and they had a lengthy discussion.

#### **4 October 2017**

I send an email to Jim Kassif requesting information on those present at the meeting. "With reference to above mentioned meeting I would you to clarify the following. This because I missed the introduction to the meeting due to the noise in the indoor arena.

Please clarify the following:

- One invited company did not attend. Was there a reason given for this?
- Barry Smith was listed he also had a person with him that so far as I remember was not listed. From which company was this person?
- Tim Hessel was listed - he also had a person with him that so far I remember was not listed. From which company was this person?
- Is the organisation you working for NSW Sport and Recreation. Could you please confirm
- One gentleman I did not get the name of (because of the noise) who seems to be connected to the same organisation as you are is that correct. Could you please confirm this and confirm a name."

In an email reply from Jim Kasif he identifies two other attendees as Dave Porter and Bruce Farrar – all parties have now been identified except one.

#### **4 October 2017**

Tenders for Contract Number OoS17/18-021 Open.

#### **5 October 2017**

I sent an email to the Chair of Equestrian Australia Judy Fasher in relation to the incident noted above (01/10/2017) and lodge a formal complaint, as I find it inappropriate for a CEO to be collecting samples from my client's arena without disclosing the purpose to my client and/or myself. In the email I make it clear that it is my client's prerogative as the owner of the arena, to grant permission to Bruce Farrar to collect samples of sand and fibre.

In the email I raised the following issue.

"The connection between the CEO Equestrian NSW and Board Member installing arenas from a Competitor's Company and the family connection within EA NSW with the agent of this opposition company is not at all a comfortable position to be in and has raised some eyebrows."

As I said in my email, I accept fair competition, however, will not tolerate unfair practices. It was my expectation that Judy Fasher, the Chair of the national governing body of an Olympic sport, would provide a detailed response after an investigation of the matter.

#### **6 October 2017**

Judy Fasher and I exchange a couple of emails. Ms Fasher claims she is unable to reach Bruce Farrar and I respond.

"I understand that you have not been able to discuss the matter with the EA NSW CEO but I hope you understand my concerns about this matter and the connections within EA NSW as mentioned in my email. I have been a victim of conflict of interest within EA NSW before concerning a very controversial draw in a Sydney 3 DE. (owner / event secretary scenario)".

## **9 October 2017**

I receive an email from Judy Fasher advising me that Bruce Farrar will phone me.

Judy Fasher does not disclose to me that she (as Chair of Equestrian Australia) has been involved in writing to the Minister for Sport to assist Equestrian NSW with their funding submission for the upgrade of the arenas.

## **10 October 2017**

I respond to Judy Fasher

“Your email below refers to the in my view unacceptable action from the CEO of EA NSW (have not heard from the CEO yet) the email however does not attend to the protentional conflict of interest as mentioned in my previous emails.”

Bruce Farrar does call me and reads out (with a nervous tone to his voice) a well written and carefully prepared statement claiming that there was no wrongdoing from his side and that Peter Dingwell had nothing to do with the sample collection from Willinga Park. During this conversation I request (from Bruce) to put this in writing or send me a copy of the statement his was reading - he refused.

## **10 October 2017**

I receive an email from Bruce Farrar which heightens my suspicions that Bruce Farrar is not disclosing his actual involvement in a commercial process.

Once again, he does not address my question as to the purpose of collecting the sample from Willinga Park in October, instead Bruce Farrar attempts to explain his action as having a general interest in “benchmarking surfaces to better understand the relative inputs to performance.”

Where else has Bruce Farrar taken arena surface material samples from and paid for laboratory tests for his general interest?

Bruce Farrar states that Peter Dingwall and his son Stephen have nothing to do with his interest in arena surfaces. Yet the ICAC letter specifically refers to Bruce Farrar’s involvement in contacting Stephen Dingwall for costings, which he denies to me in this email.

“Peter Dingwall, President of the Equestrian NSW Board, has not been provided with any information about the specifics, analyses or costs that I have collected about arena surfaces. Similarly, I have spoken to Peter’s son Stephen Dingwall, who works part time for OTTO, but once again haven’t disclosed the details of any discussions I’ve had with other suppliers, nor the results of any samples tested.”

I provide the following paragraph from the email to the Committee to consider whether Bruce Farrar’s claim is correct, and he was not involved in assisting his friend Alex Townsend fix her arena.

“Alex Townsend, Board Member of Equestrian NSW, recently installed OTTO surfaces in her indoor and outdoor arenas. I had no input to her decision to use OTTO and didn’t disclose any information to her about OTTO or other suppliers.”

At this point it is interesting to note that Alex Townsend and her property Wallaby Hill have been used to promote OTTO through Barrie Smith Motorsport Pty Ltd Website:

<https://www.bsmsportequestrian.com.au/pages/otto-sport>

Bruce Farrar appears to deflect being involved in the tender process, by claiming that John Vallance (whom I did not know would have any formal or informal involvement in the tender process) and Mike Etherington-Smith recommended Oliver Hoberg to the Office of Sport as an independent expert.

Bruce Farrar did not disclose to me that he in fact recommended Oliver Hoberg to the Office of Sport as an independent expert in his submission for funding to the Minister for Sport Stuart Ayers (in March 2017).

Mr Farrar did not reveal to me that the Office of Sport did not avail themselves of Mr Hoberg’s expertise. In fact, Mr Hoberg had nothing whatsoever to do with assisting the Office of Sport with the scope of works and the tender evaluation, I subsequently have met Oliver at an equestrian event in Europe as he has never been to Australia or been formally contacted about this tender.

After reading the ICAC letter to the Office of Sport, it appears false and misleading for Bruce Farrar to claim as he did in writing to me, that:

“I am an interested stakeholder as CEO of Equestrian NSW, but the decision which is the successful tenderer for SIEC will be made by the Office of Sport.”

#### **20 October 2017**

My company, Capricorn (Australia) Pty Ltd lodged a tender.

#### **23 October 2017**

Tenders close

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#### **Key dates included in the Tender Document from BSM Sport Equine**

In the Barrie Smith Motorsport Pty Ltd tender under the category Risk Factors, is a shipping schedule. This outlines 5 x Containers with the first 2 x Containers ready for collection 25/10/2017.

I ask the Committee to examine how this was possible. It suggests that Barrie Smith Motorsport Pty Ltd received advice from either Bruce Farrar and/or the Office of Sport to place orders with their suppliers on the basis that they would be awarded the tender.

I draw your attention to the following:

“The 4 containers from Spain are planned to be shipped on a service departing Barcelona on November 7 ...”

How was it possible for Barrie Smith Motorsport Pty Ltd to have:

- Goods prepared
- Goods packed and
- Goods awaiting delivery on a dock in Barcelona

All within 1 day after the contact was officially awarded.

The CEO of the Office of Sport, Matt Miller was in possession of a letter dated 2 November 2017 that awarded the tender to Barrie Smith Motorsport Pty Ltd - which he signed and dated on 6 November 2017.

**This is the first opportunity to discover answers as to how Barrie Smith was able to organise and purchase containers of goods and ship them to Australia the following day.**

Bruce Farrar had told me on 18 September 2017, that the arenas needed to be operational by May 2018 for the Sydney CDI. What changed between this meeting and the opening of the tenders on 4 October? Did it the urgency have a connection to do with rectifying the failed arena at Wallaby Hill?

The Office of Sport have not provided their reasons for insisting that the installation period be confined to the period between 15 November 2017 and 11 January 2018. Bruce Farrar had the period extended. Why did Bruce Farrar have the authority and influence to change the completion date and upon what basis did he make the change?

I find it suspicious that the timeframe for installation was parallel to our installation of the EBB & FLOW arenas at AELEC in Tamworth. We were awarded this Contract and installed a 100 x 100m EBB & FLOW arena with SOILTEX in addition to a warm-up arena with dimensions of 70 x 30m (also EBB & FLOW with SOILTEX). Our success with not only winning the Contract at AELEC but the subsequent success of these arenas is a talking point among the Australian equestrian industry.

In my tender I explained that delivery time from our supplier in Europe to Sydney is 8 weeks. The supplier needs two weeks to prepare and pack the goods required. Carrying this volume of stock is not economically viable (for any professional company) and therefore we place orders for items only when a contract has been confirmed.

I also raised the prospect of delays with sea freight between Europe and Australia, in my tender application.

In my tender I wrote:

“With our experience we feel that there is no need to take the high risks of upgrading the arenas and installing the surface during this time frame if it can be done with better planning and less risk at a later date.”

I suggested to the Office of Sport that a more realistic time frame for installation would be February to March 2018, which would provide for any freight delivery delays from Europe.

This seemingly sensible suggestion was used against Capricorn (Australia) Pty Ltd by Bruce Farrar and the advisory panel to the tender evaluation committee and Jim Kasif the project manager.

In Bruce Farrar's recommendation to Jim Kasif:

- Comparable works at Willinga Park
- SOILTEX being replaced at some locations (Wallaby Hill, Heath and Rozzie Ryan, Chris Chugg and Vicki Roycroft)
- Capricorn (Australia) Pty Ltd not committed to the program due to shipping schedules and concurrent work at AELEC
- Inferior geotextile/sand mixing process
- Difficult contractor principal

It is important to know the following facts:

- **Comparable works at Willinga Park**  
Our project that had been completed at Willinga Park was a huge success
- **SOILTEX being replaced at some locations:**  
Wallaby Hill – this was changed to the OTTO arena (EBB & FLOW)  
Heath and Rozzie Ryan were approached by a competitor and received a new arena surface as part of their sponsorship agreement  
Chris Chugg has never been a client of Capricorn (Australia) Pty Ltd and has not been supplied SOILTEX  
Vicki Roycroft – topped up her SOILTEX arena with fibres from a competitor
- **Capricorn (Australia) Pty Ltd not committed to the program due to shipping schedules and concurrent work at AELEC**  
How was it possible for Bruce Farrar to make a subjective, baseless and unsubstantiated assumption that we were unable to give full attention to the SIEC contract. Was this because we had subsequently been awarded the contract for AELEC in Tamworth?
- **Inferior geotextile/sand mixing process**  
Bruce Farrar's claim that the geotextile material and sand mixing process is inferior, appears ludicrous after the failure of the outdoor arena at Wallaby Hill. The fact that there was too much clay in the mix at Wallaby Hill does not suggest on the evidence that Barrie Smith could produce a workable arena. Digging up the surface from the outdoor arena at Wallaby Hill and attempting to pass it off as new materials for the indoor arena does not seem by any measure to be a competent, let alone demonstrate a superior mixing process.

The installation process of SOILTEX has been the same since Capricorn (Australia) Pty Ltd first began supplying SOILTEX within Australia.



As at November 2017 we had over 250 clients within Australia using our SOILTEX surface with great feedback and success.

▪ **Difficult contractor principal**

The closing point, that I am 'difficult' may have more to do with the fact that I am not afraid to speak up and/or question a process that "raises eyebrows".

I believe Bruce is highly uncomfortable with me calling out his conflict of interest which has resulted in him having undue influence in a biased and unfair process that he should not have had anything to do with at all.

In a sport that puts "looking after your mates" ahead of fair and transparent competition, I had the audacity to complain about the manipulation of a competition draw which favoured the horse of the event secretary. Making complaints in equestrian sport does not make you any friends - it is seen as being 'difficult'.

I draw the Committee's attention to how Mr Farrar manipulated the information I provided in the tender to create a false and misleading claim that Capricorn (Australia) Pty Ltd was not committed to the program due to shipping schedules. The shipping schedule for delivery of goods from Europe is the same for all tenderers.

**It is whether one tenderer was given an unfair advantage in placing an order before the close of tenders which needs to be clarified.**

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In Bruce Farrar's summary he claims that Barrie Smith Motorsport Pty Ltd is his preferred tender due to the mats technology, international elite experience, commitment to the program and **ease of doing business with**.

- How was it possible for Barrie Smith to be committed to the unrealistic timeframe of the installation period?
- When had Bruce Farrar done business with Barrie Smith?
- Why was this relationship not declared in his conflict of interest declaration?

From Barrie Smith Motorsport Pty Ltd tender application, it is made clear that the only other project that has been completed has been for Alex Townsend at Wallaby Hill. Bruce Farrar's document is dated 30 October 2017. He would have known that the outdoor arena had failed at Wallaby Hill and there was a plan to fix it. What role did Bruce Farrar have in the fix?

Bruce Farrar's claim regarding the inflated cost of Barrie Smith's tender doesn't add up. Particularly now it has been identified where the indoor arena surface material came from and how it was contaminated by the matting that he crowed so loudly about. In the tender recommendation signed by Jim Kasif and approved by Matthew Brown the reviewer and project manager, facilities and assets, Kevin Flynn the manager of SIEC, who is referred to in this document as the client, and Michael Bangel the director asset management states that:

“Capricorn have provided a tender amount \$589,300, however the risk is they could not provide a program to meet completion date of 11/01/2018 and they have undertaken a large project in Tamworth which has just commenced.”

I ask the Committee whether the views and opinions of Bruce Farrar and the advisory panel are reflected in Jim Kasif’s recommendation to officers of the Office of Sport?

It makes a mockery of Bruce Farrar’s assertion to me in an email on 10 October that “... the decision which is the successful tenderer for SIEC will be made by the Office of Sport.” Bruce Farrar failed to mention that he would be recommending to the Office of Sport his preferred tenderer and was well and truly embedded in the selection process.

What role did Bruce Farrar have in preparing the Tender Evaluation Plan that provided for the price and non-price evaluation criteria as identified in the tender documents?  
Was the evaluation plan followed?

Jim Kasif falsely claimed to support his recommendation of Barrie Smith Motorsport Pty Ltd as his preferred tenderer, that this was the only company that offered the Ebb and Flow system and specialised mats to achieve Equestrian Federation International “best practice”, this is absolute rubbish! I ask the Committee to examine who provided the project manager with this information and why Jim Kasif and those who signed the recommendation document, Matt Brown, Kevin Flynn and Michael Bangel did not take steps concerning the veracity of this and other incorrect assertions contained in the document.

Since the discovery of second-hand contaminated arena materials in the indoor arena at SIEC has there been an increase in the number of world class international competitions (prior to the COVID 19 outbreak) in 2018 and 2019?

I ask the Committee to consider how ‘the client’ identified as Kevin Flynn, the manager of SIEC was a member of the Tender Evaluation Committee and then approved the recommendation from that committee?

I draw the Committee’s attention to the heading Work, Health and Safety contained in Barrie Smith Motorsport Pty Ltd tender documents. He states that this contract was the first civil works project for the company. It was not possible to nominate three such projects completed within the past two years. Barrie Smith claims that he worked on three projects at Wallaby Hill and lists the start date and completion date.

- Gallop Track  
Start date 4/2014 / completion date 10/2014
- Indoor Arena, resurface and Ebb and Flow installation  
Start date 5/2016 / completion date 9/2016
- Outdoor Arena, resurface and Ebb and Flow installation  
Start date 5/2016 / completion date 9/2016

It is my understanding the Gallop Track was supplied by OTTO directly (from Germany) and installed by Excel Earthworks - Barrie Smith Motorsport Pty Ltd was not an agent for OTTO in Australia in 2014.

According to the Office of Sport documentation the above dates in 2016 are incorrect. The Indoor Arena project at Wallaby Hill occurred first in and then the outdoor arena was installed in August – September in 2017. I have dated Facebook posts to match the dates in 2017. Barrie Smith falsely claims these projects were completed a year before.

The officers from the Office of Sport made a site visit to the property during construction. In addition the sub-contractors Excel Earthworks and PMH Building Co have Facebook posts for work done at Wallaby Hill in August – September 2017. Barrie Smith provides a list of sub-contractors. All are from the southern highlands and have been employed by Alex Townsend at Wallaby Hill.

Is it usual for the Office of Sport to award a contract to a company that is does not comply with accreditation to manage work, health and safety or manage environmental issues as required of a NSW government contract?

Barrie Smith did not list JK Williams Contracting as its project manager to substitute for its lack of accreditation, in the tender documents. How was Barrie Smith awarded the contract over two companies who had accreditation?

Capricorn (Australia) Pty Ltd had at the time, and I am proud to add that to this day has the most experience of the three tenderers. Our tender was the most cost-effective, yet our tender was deemed inferior based on lies, misinformation, interference and manipulation from Bruce Farrar.

In closing, I sincerely hope that this Inquiry brings to the public's attention what has occurred at the taxpayers expense.